

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

SPORTS SHINKO CO., LTD., a  
Japan corporation,

Plaintiff,

vs.

QK HOTEL, LLC, a Hawaii limited  
liability company, et al.,

Defendants,

and

FRANKLIN K. MUKAI,

Third-Party Plaintiff,

vs.

SPORTS SHINKO (USA) CO., LTD.,  
a Delaware Corporation, et al.

AND CONSOLIDATED CASES

CV 04-00124 ACK-BMK

CV 04-00125 ACK-BMK

CV 04-00126 ACK-BMK

CV 04-00127 ACK-BMK

CV 04-00128 ACK-BMK

CONSOLIDATED CASES

DECLARATION OF  
TAKEO KOSUGI;  
EXHIBIT K2

**DECLARATION OF TAKEO KOSUGI**

I, TAKEO KOSUGI, hereby declare as follows:

1. I am an attorney-at-law (*bengoshi*) duly licensed to practice law in Japan since 1974, and I am a partner in the Matsuo & Kosugi law firm located at the Fukoku Seimei Bldg, 18F, 2-2-2 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan.

2. I make this declaration based on my personal knowledge. If I were called as a witness, I could and would competently testify about the matters stated herein.

3. This declaration is being submitted in support of the KG Defendants' Motion for Reconsideration.

4. In addition to the documents identified in my April 13, 2006 declaration, I have reviewed in their entirety the following documents:

A. The Sports Shinko Companies' Memorandum in Opposition to KG Defendants' Motion for Reconsideration of Order Denying Defendants' Motion for Summary Judgment in CV No. 04-00128 ACK-BMK filed on March 29, 2006; Declaration of Michihiro Mori; Exhibit M-1; Declaration of Tsugio Fukuda; Exhibits 1-2; Declaration of Glenn T. Melchinger; Exhibits 3-4; Declaration of Steven C. Silver; List of Translated Documents; Certificate of Service, filed on May 22, 2006.

B. The Purchase and Sale Agreement between Sports Shinko (Hawaii) Co., Ltd. and its subsidiaries and KG Holdings, LLC dated January 15, 2002.

C. The Second Amended Complaints filed in D. Hawaii CV Nos. 04-00124, 04-00127 and 04-00128.

5. Attached hereto and marked Exhibit K2 is my further memorandum on the law of Japan as it pertains to this case. This memorandum identifies, among other things, why the Opinion of Mr. Mori, submitted to the Court by Plaintiffs, misconstrues the law of Japan as it applies to this case. The attached opinion, like

my prior memorandum filed on April 12, 2006, contains the correct analysis of Japan law based upon my research and experience.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

This declaration was signed in Tokyo, Japan on June 14, 2006.

/s/ Takeo Kosugi  
Takeo Kosugi